

TREASURY NEWS



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Testimony of

THE HONORABLE
BAY BUCHANAN

Before the Senate Banking Committee
on Olympic Coins
Tuesday - July 14, 1981
10:00 a.m.

Mr. Chairman and Members of the Committee, I am pleased to appear before you to present the views of the Department of the Treasury on S.1230. This bill would provide for the minting of commemorative coins to honor, commemorate and help finance the 1984 Los Angeles Olympic Games.

Let me first state that the Department of the Treasury wholeheartedly supports the young men and women training for the 1984 Olympic games. The personal sacrifice, discipline, and hours of training are admired and respected by all Americans.

In addition we support the fine efforts of the various American Committees which are organizing, sponsoring and promoting the athletes and games.

As an indication of this support, the Department of the Treasury is in favor of commemorative coins honoring the 1984 Olympic games. The Department, however, has serious reservations about the magnitude, scope, and nature of S.1230 and does not consider this bill, as proposed, to be in the best interest of the public or the government.

At this point let me briefly summarize S.1230. If enacted, the legislation would authorize the Secretary of the Treasury to mint a copper-nickel clad dollar piece, a 90% silver ten dollar piece, a 90% gold fifty dollar piece and a 90% gold one-hundred dollar piece. Each denomination would have a multitude of designs emblematic of the 1984 Summer Olympics with 29 designs in total and each would serve as legal tender. All coins are to be delivered to the Los Angeles Olympic Organizing Committee (LAOOC) for distribution and sale to the public through a marketing entity which has been selected by LAOOC to manage the coin program.

However the Department of the Treasury, as custodian of the Nation's coins and currency, has an obligation to the American people to assure not only the quality of its coins but also the proper and equitable distribution of its products. For this reason, as well as reservations about the magnitude of the program, the Department of Treasury does not support the bill in its present form.

While the Department of the Treasury has a history of objecting to the issuance of commemorative coins for the benefit of private sponsors and organizations, it has not objected to special coinage authorized by Congress for the government's own account. I recently testified before the House Subcommittee on Consumer Affairs and Coinage to voice the Treasury Department's support for a bill authorizing the minting of silver half-dollars commemorating the two-hundred and fiftieth anniversary of the birth of George Washington. Unlike the bill under consideration, the George Washington legislation would authorize commemorative coinage for the government's own account.

Although in the last 30 years no commemorative coin has been authorized for private organizations, the Department is of the opinion that each proposal should be evaluated on its own merit.

The minting of Olympic commemorative coins, with marketing and distribution under the supervision of the Department of Treasury, is a concept we support. This concept overcomes the major reasons for opposition to private account commemorative coins.

Let me explain:

The issuance of private commemoratives often resulted in the exploitation of the public for private gain. Abuses experienced with past private commemorative issues include improper handling of proceeds from a coin of the realm, inaccuracy or poor taste in advertising, and abuses and inequities to the public in pricing and distribution. With the Treasury Department managing the marketing and distribution of the Olympic coins, these concerns should be alleviated.

The other major reason for past opposition to commemorative coins for private accounts is the floodgate effect. The concern is that a reversal of an established precedent against the issuance of private commemoratives will invite proposals from numerous other organizations and causes. However, the Olympic games are only held once every four years and only every 50 years in the United States. Such an event warrants a departure from past policy.

The Department welcomes the opportunity to work with members of this committee to formulate amendments to the proposed legislation or develop substitute legislation that the Treasury Department could enthusiastically support. We look forward to the minting of coins that recognize the importance and national significance of the Olympics and of amateur athletes.